



MMS Securing Ocean Energy &
Economic Value for America

Minerals Management Service

www.mms.gov

America's Strategic Petroleum Reserve: Energy Security for the Future

In his State of the Union message, President Bush announced his intention to increase the Strategic Petroleum Reserve (SPR) - the world's largest supply of emergency crude oil - to 1.5 billion barrels by 2027. SPR oil is stored in huge underground salt caverns along the coastline of the Gulf of Mexico. At the present time, the reserve holds about 700 million barrels of crude oil. The Minerals Management Service (MMS) and the Department of Energy work together to fill and maintain the SPR.

Oil from MMS's Royalty-in-Kind (RIK) program - by which royalties from oil production are accepted in-kind (oil) rather than in-value (cash) - is used to fill the reserve.

The President's fiscal year 2008 budget includes a request in the Department of Energy budget for \$18 million to expand the SPR. This spring, the government will begin buying 100,000 barrels of oil a day to fill the stockpile to its current capacity of 727 million barrels.

Congress established the emergency reserve in 1975 after the Middle East oil embargo, to make up for global supply disruptions. The U.S. tapped the stockpile in 1991 after Iraq invaded Kuwait and in 2005 after Hurricanes Katrina and Rita disrupted pipelines, refineries, and Gulf of Mexico production.

MMS manages offshore oil and gas exploration as well as renewable and alternative energy sources such as wind, wave, and solar on 1.76 billion acres of the Outer Continental Shelf while protecting the human, marine, and coastal environments. MMS also collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, sharing revenues with states, American Indians and individual lease holders, and the U.S. Treasury. The revenues are also contributed to the Land and Water Conservation Fund and other special use funds. In Fiscal Year 2006, disbursements were made of approximately \$12.8 billion, totaling nearly \$164.9 billion since 1982.

For more information on the Minerals Management Service, go to www.mms.gov.



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